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STATE FOR WHA/CAR

E.O. 12958: DECL: 11/14/2018  
TAGS: [ECON](#) [ELAB](#) [BF](#)  
SUBJECT: ATLANTIS RESORT LAYS OFF 800 EMPLOYEES

REF: NASSAU 765

Classified By: CDA AlbertDeJong for reasons 1.4(b) and (d).

¶1. (U) The Atlantis Resort on Paradise Island, The Bahamas, largest private employer, laid off 800 employees on 12 November. In public statements, President and Managing Director of Kerzner International Bahamas George Markantonis said the company had no choice but to reduce staff by 10%, given the most severe drop in occupancy levels since 9/11. Atlantis was forced to downsize quickly in order to save as many jobs as possible, he said. Markantonis reported that occupancy rates for November plunged from 70% in 2007 to 48% in 2008. Local media have speculated about Atlantis layoffs for weeks, and reaction to the layoffs dominated news reports November 12-13.

¶2. (C) Comment: A top Bahamas Hotel Association executive noted the Atlantis resort was overstaffed, saying the layoffs were an exercise to get rid of non-performers and to operate the resort with greater efficiency. He said that a number of other hotels will follow suit, albeit with layoffs of significantly smaller numbers. Smaller hotels in the Cable Beach area of Nassau have already reduced staff numbers (reftel). Ambassador Siegel was informed that Atlantis could lay off up to 1500 employees. The ripple effect of the Atlantis layoffs will undoubtedly impact every sector of society. As unemployment levels continue to rise there is a real fear among businessmen and the population at large that crime rates too will increase. End Comment.  
ELMO